

**Exclusion of Interest From Series EE and I
U.S. Savings Bonds Issued After 1989**
(For Filers With Qualified Higher Education Expenses)
▶ Attach to Form 1040 or Form 1040A.

Name(s) shown on return
Your social security number

1	(a) Name of person (you, your spouse, or your dependent) who was enrolled at or attended an eligible educational institution	(b) Name and address of eligible educational institution

If you need more space, attach a statement.

2	Enter the total qualified higher education expenses you paid in 2005 for the person(s) listed in column (a) of line 1. See the instructions to find out which expenses qualify	2		
3	Enter the total of any nontaxable educational benefits (such as nontaxable scholarship or fellowship grants) received for 2005 for the person(s) listed in column (a) of line 1 (see instructions)	3		
4	Subtract line 3 from line 2. If zero or less, stop . You cannot take the exclusion	4		
5	Enter the total proceeds (principal and interest) from all series EE and I U.S. savings bonds issued after 1989 that you cashed during 2005	5		
6	Enter the interest included on line 5 (see instructions)	6		
7	If line 4 is equal to or more than line 5, enter "1.000." If line 4 is less than line 5, divide line 4 by line 5. Enter the result as a decimal (rounded to at least three places)	7	×	.
8	Multiply line 6 by line 7	8		
9	Enter your modified adjusted gross income (see instructions) Note: If line 9 is \$76,200 or more if single or head of household, or \$121,850 or more if married filing jointly or qualifying widow(er), stop . You cannot take the exclusion.	9		
10	Enter: \$61,200 if single or head of household; \$91,850 if married filing jointly or qualifying widow(er)	10		
11	Subtract line 10 from line 9. If zero or less, skip line 12, enter -0- on line 13, and go to line 14	11		
12	Divide line 11 by: \$15,000 if single or head of household; \$30,000 if married filing jointly or qualifying widow(er). Enter the result as a decimal (rounded to at least three places)	12	×	.
13	Multiply line 8 by line 12	13		
14	Excludable savings bond interest. Subtract line 13 from line 8. Enter the result here and on Schedule B (Form 1040), line 3, or Schedule 1 (Form 1040A), line 3, whichever applies . . ▶	14		

General Instructions

Section references are to the Internal Revenue Code.

Purpose of Form

If you cashed series EE or I U.S. savings bonds in 2005 that were issued after 1989, you may be able to exclude from your income part or all of the interest on those bonds. Use this form to figure the amount of any interest you may exclude.

Who May Take the Exclusion

You may take the exclusion if all four of the following apply.

1. You cashed qualified U.S. savings bonds in 2005 that were issued after 1989.
2. You paid qualified higher education expenses in 2005 for yourself, your spouse, or your dependents.
3. Your filing status is any status except married filing separately.
4. Your modified AGI (adjusted gross income) is less than: \$76,200 if single or head of household; \$121,850 if married filing jointly or qualifying widow(er). See the instructions for line 9 to figure your modified AGI.

U.S. Savings Bonds That Qualify for Exclusion

To qualify for the exclusion, the bonds must be series EE or I U.S. savings bonds issued after 1989 in your name, or, if you are married, they may be issued in your name and your spouse's name. Also, you must have been age 24 or older before the bonds were issued. A bond bought by a parent and issued in the name of his or her child under age 24 does not qualify for the exclusion by the parent or child.

Recordkeeping Requirements

Keep the following records to verify interest you exclude.

- Bills, receipts, canceled checks, or other documents showing you paid qualified higher education expenses in 2005.
- A written record of each post-1989 series EE or I bond that you cash. Your record must include the serial number, issue date, face value, and total redemption proceeds (principal and interest) of each bond. You may use Form 8818, Optional Form To Record Redemption of Series EE and I U.S. Savings Bonds Issued After 1989.